

1 SENATE BILL NO. 112

2 INTRODUCED BY L. NELSON

3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE FUNDING OF ADMINISTRATIVE COSTS FOR
6 THE BASIC AND ENHANCED 9-1-1 EMERGENCY TELEPHONE SERVICE ACCOUNTS; PROVIDING FOR THE
7 RETENTION OF INTEREST EARNINGS IN THE ACCOUNTS; AMENDING SECTION 10-4-301, MCA; AND
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND RETROACTIVE APPLICABILITY DATES."

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10 WHEREAS, the Legislature finds public safety to be of paramount importance; and

11 WHEREAS, emergency telephone systems are a critical component of facilities and services use
12 by private and public agencies in providing public safety services to Montana citizens; and

13 WHEREAS, the 49th Legislature enacted legislation providing for emergency telephone systems,
14 and this legislation was amended in subsequent sessions to address changing technology; and

15 WHEREAS, the Legislature intends that all money collected under section 10-4-201, MCA, be used
16 only for providing emergency telephone system services; and

17 WHEREAS, sound business practices suggest that 9-1-1 funds be invested until a city or county
18 has sufficient revenue to purchase equipment and other necessary items; and

19 WHEREAS, sections 10-4-303 and 10-4-312, MCA, require that a city or county use income from
20 investments of 9-1-1 funds only for providing emergency telephone services; and

21 WHEREAS, sections 10-4-302 and 10-4-311, MCA, require that the state withhold the transfer
22 of 9-1-1 funds to a city or county until a plan is approved; and

23 WHEREAS, city and county governments have built their emergency public safety answering point
24 budgets on the good faith expectation that interest on investments held in trust by the state until a plan
25 was approved would continue to be distributed to city and county governments; and

26 WHEREAS, the 55th Legislature, in passing House Bill No. 2, House Bill No. 166, and House Bill
27 No. 210, intended to fund 9-1-1 administrative costs from both the basic and enhanced 9-1-1 accounts
28 using a general fund appropriation pursuant to House Bill No. 2, which was intended to correspond to
29 amounts transferred to the general fund pursuant to House Bill No. 166, in the amount of 3.74% of the
30 total fees imposed for telephone exchange access services; and

WHEREAS, the 56th Legislature, in passing House Bill No. 69, further clarified its intent that general fund appropriations corresponding to transfers of 9-1-1 collections to the general fund were to be the sole funding source of administrative costs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 10-4-301, MCA, is amended to read:

"10-4-301. Establishment of emergency telecommunications accounts. (1) There are established in the state special revenue fund in the state treasury:

(a) an account for all fees collected for basic 9-1-1 services pursuant to 10-4-201(1)(a); and

(b) an account for all fees collected for enhanced 9-1-1 services pursuant to 10-4-201(1)(b).

(2) All money received by the department of revenue pursuant to 10-4-201 must be paid to the state treasurer for deposit in the appropriate account. An amount equal to 3.74% of the money received pursuant to 10-4-201 must be deposited in the state general fund.

(3) The accounts established in subsection (1) retain interest earned from the investment of money in the accounts.

~~(3)~~(4) After payment of refunds pursuant to 10-4-205, the balance of the respective accounts must be used for the purposes described in part 1 of this chapter.

~~(4)~~(5) The distribution of funds in the 9-1-1 emergency telecommunications accounts described in subsection (1), as required by 10-4-302 and 10-4-311, is statutorily appropriated, as provided in 17-7-502, to the department.

~~(5)~~(6) Expenditures for actual and necessary expenses required for the efficient administration of the plan must be made from appropriations made for that purpose."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to:

(1) January 1, 1987, for all fees collected and interest earned from the investment of the money collected for basic 9-1-1 services under 10-4-201; and

(2) July 1, 1997, for all fees collected and interest earned from the investment of the money
collected for enhanced 9-1-1 services under 10-4-201.

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